



City of Maple Ridge

TO: Her Worship Mayor Nicole Read and Members of Council **MEETING DATE:** July 10, 2018
FROM: Chief Administrative Officer **MEETING:** Council
SUBJECT: 2019-2023 Financial Plan Bylaw

EXECUTIVE SUMMARY:

At the July 3, 2018 Audit & Finance Committee meeting direction was provided to bring forward the 2019-2023 Financial Plan Bylaw to Council reflecting the below mentioned changes.

In May, Council amended the 2018-2022 Financial Plan Bylaw. The 2018 property tax increases included the lowest General Purpose property tax increase in years. The 2019 property tax increase was also reduced and could have been much lower, if it were not for the new Provincial Payroll Tax which equates to a property tax increase of about 0.7%.

Given the refinements to the operating budget that have already taken place, staff have updated the Capital Program. The Capital Program for 2019 - 2023 has been accommodated within existing funding.

Having the 2019-2023 Financial Plan Bylaw in place will provide the latitude to the incoming Council to determine if business planning will be the first item they address. As Council is aware, Council can amend the Financial Plan Bylaw at any time and it is routinely amended in April/May to reflect updated assessed property values and real growth revenue due to new development.

RECOMMENDATION(S):

That Maple Ridge 2019-2023 Financial Plan Bylaw No. 7454 - 2018 be given first, second and third readings.

DISCUSSION:

a) Background Context

The property tax increase assumptions in the Financial Plan are identical to the existing Financial Plan and listed in the following table.

Property Tax increases	2019	2020	2021	2022	2023
General Purpose	1.90%	2.00%	2.00%	2.00%	2.00%
Infrastructure Replacement	0.70%	0.70%	0.70%	0.90%	0.90%
Parks and Recreation	0.60%	0.60%	0.60%	0.60%	0.60%
Drainage	0.30%	0.30%	0.30%	0.10%	0.10%
Total	3.50%	3.60%	3.60%	3.60%	3.60%

The 2019-2023 Capital Program has been updated and is attached in Appendix I.

For information purposes the Parks and Recreation Funding Model for the additional infrastructure and the servicing of the approved borrowing is attached in Appendix II. It has been updated to include current interest rates, anticipated timing of projects and additional facility related capital costs. The model continues to rely on Community Amenity Charges (CACs) totaling approximately \$9 million. If additional CACs are collected and Council directs them to these projects, the borrowing amounts may be reduced. If the facilities are built and operated by a third party, the payments originally intended for debt servicing costs could be used for operating payments.

There are several requirements in the Community Charter for the Financial Plan Bylaw, including: disclosure of the proportions of revenue proposed to come from various funding sources, the distribution of property taxes among property classes, and the use of permissive tax exemptions. The attached bylaw includes this information.

CONCLUSIONS:

The Financial Plan is a multi-year planning, reviewing and reporting tool that represents Council's priorities and commitment to providing quality services to the residents of Maple Ridge. This plan is in line with the direction set by Council and we recommend approval. Council has the authority to amend this bylaw at any time.

"Original Signed by Trevor Thompson"

Prepared by: Trevor Thompson, CPA, CGA
Chief Financial Officer

"Original Signed by Frank Quinn"

Approved by: Frank Quinn, General Manager, MBA, P. Eng.
Public Works & Development

"Original Signed by Kelly Swift"

Approved by: Kelly Swift, General Manager, MBA, BGS
Parks, Recreation & Cultural Services

"Original Signed by Paul Gill"

Approved by: Paul Gill, CPA, CGA
Chief Administrative Officer

APPENDIX I, 2019-2023 PROPOSED CAPITAL PLAN

(All \$ in Thousands)

Section > Projects	2019	2020	2021	2022	2023
Government	1,570	472	960	370	1,010
Equip Purch - GPS and Robotic Total Station	-	60	-	-	-
IT Office Renovations	-	12	-	-	-
Minor Capital - City	25	100	75	100	75
Minor Capital - Downtown Improvements (Safety)	15	-	15	-	15
Minor Capital - Engineering	15	15	15	15	15
Minor Capital - Gen Government	15	15	15	15	15
Minor Capital - Town Centre	100	100	100	100	100
Operations Centre - Backup Emergency Generator	555	-	-	-	-
Operations Centre - Emergency Response and Training Room	40	-	-	-	-
Operations Centre - Equipment Wash Bay	105	-	-	-	-
Operations Centre - Works Yard Security	50	50	50	-	-
Operations Fuel Island Replacement	-	-	-	-	600
Recycling Collection Equipment	40	60	80	80	130
Recycling Collection Truck	250	-	-	-	-
Recycling Collection Truck - Semi-Auto, Hydraulic Lift	-	-	300	-	-
Recycling Truck - 2019	100	-	-	-	-
Works Yard Paving Phase 1	200	-	-	-	-
Works Yard Paving Phase 2	-	-	250	-	-
Workstation Replacement	60	60	60	60	60
Technology	1,861	1,950	1,768	1,433	1,401
Agenda Manager Software	-	75	-	-	-
Archival Storage Array	-	-	-	-	150
Asset Management Phase 1	-	500	-	-	-
Asset Management Phase 2	-	-	500	-	-
Backup Disk Target Replacement	130	-	-	-	-
Deploying Virtual Desktops	20	-	-	-	-
Digital Display Board Enhancement	30	-	-	-	-
Disaster Recovery Infrastructure	-	-	-	-	97
Email and Office Upgrades	40	-	-	-	-
Enterprise CRM, Community Engagement Tools	45	-	-	-	-
Enterprise System Replacement (Financial and HRIS)	-	450	490	250	-
Equip Purch - IT	1,054	535	403	923	555
Expansion for Primary Storage	70	-	-	-	-
Fibre Extensions (various)	150	150	150	150	150
Infrastructure Growth	50	50	50	50	50
Laserfische Environment Enhancement	22	-	-	-	-
LiDAR Survey (Acquire Detailed Topographic Data)	-	35	-	-	-

Section > Projects	2019	2020	2021	2022	2023
Main Hall Cable Plant	-	-	-	-	150
Online Recruiting Application	-	50	-	-	-
Pilot ArcGIS Geo Event Server	20	-	-	-	-
Pilot Augmented Reality GIS Platform	10	-	-	-	-
Pilot Biometric Access	25	-	-	-	-
Public Access Community Kiosks	-	-	-	-	39
Security Review and Remediation Multiphase	60	-	-	60	-
Security Review and Scan	-	15	15	-	15
Security Software	50	-	-	-	-
Server Growth Increment	-	-	-	-	75
Sign RFID Video Inventory	-	75	-	-	-
SQL Environment Rebuild	35	-	-	-	-
Storage Increment 1	-	-	120	-	-
Storage Increment 2	-	-	-	-	120
Upgrade Live Streaming Infrastructure	-	-	40	-	-
Web Page Design, Content Management System	50	-	-	-	-
Wireless Hardware and Software Infrastructure	-	15	-	-	-
Protective Fire	225	-	-	-	-
AV upgrades FH1 Training Room and EOC +	225	-	-	-	-
Protective Police	40	8	150	-	-
Front Counter Kiosk Expansion +	-	-	150	-	-
RCMP - Chair Replacement - Hilton Haider +	40	-	-	-	-
RCMP - Main Building Renovation (Interview Room) +	-	8	-	-	-
Parks	26,890	3,815	2,575	1,365	305
Greenbelt Acquisition	200	200	200	200	200
Haney Nokai Park Improvement	-	-	-	450	-
Haney Nokai Park Phase 2 - Acquisition 2	660	-	-	-	-
Haney Nokai Park Phase 2 - Acquisition 3	660	-	-	-	-
Intergenerational Garden	-	35	-	-	-
Minor Capital - Gen Rec	30	30	30	30	30
Minor Capital - Improvements	75	75	75	75	75
North Central Park (232 and 122)	-	-	-	610	-
Park Development (241 and 112)	425	-	-	-	-
Pickleball Courts Phase 2	250	-	-	-	-
PRF Albion Community Centre FF&E	350	75	20	-	-
PRF Albion Neighbourhood Learning and Community Centre	5,000	-	-	-	-

Section > Projects	2019	2020	2021	2022	2023
PRF Facilities FF&E	75	-	-	-	-
PRF Ice Sheet (Planet Ice)	12,500	-	-	-	-
PRF Infrastructure Contingency	3,000	-	-	-	-
PRF MRLS FF&E	140	-	-	-	-
PRF MRSS Track Facility Upgrade	2,500	-	-	-	-
PRF Public Art	125	-	-	-	-
Silver Valley Neigh Park Completion Phase 2B	-	-	1,228	-	-
Smart Growth Park Acquisition 2	900	-	-	-	-
Smart Growth Park Acquisition 3	-	900	-	-	-
Smart Growth Park Acquisition 4	-	-	900	-	-
Whonnock Lake Acquisition 1	-	2,500	-	-	-
Whonnock Lake Development 1	-	-	122	-	-
Highways	6,900	11,637	10,719	7,886	9,185
102 Ave at 241 - Acquisition	-	-	545	-	-
116 Ave Urban Road Upgrade 203 to Warsley Design	-	50	-	-	-
117 Ave (Laity to 207) Corridor Improvements	100	-	-	-	-
118 Ave (230 - 231) +	-	152	-	-	-
123 Ave Corridor - 203 to Laity Construction	500	-	-	-	-
123 Ave Corridor - Laity to 216 Reconstruction Phase 1	-	-	600	-	-
132 Ave (Balsam - 236) - Fern Crescent Design	200	-	-	-	-
132 Ave Traffic Corridor Improv (216 - 232) Approvals	-	300	-	-	-
132 Ave Traffic Corridor Improv (216 - 232) Construction	-	-	1,150	-	-
132 Ave Traffic Corridor Improv (216 - 232) Detailed Design	150	-	-	-	-
210 St 200m N of 128 Road & Drainage Improvements Acquisition	-	-	-	358	-
210 St 200m N of 128 Road & Drainage Improvements Construction	-	-	-	-	1,000
210 St 200m N of 128 Road & Drainage Improvements Design	-	-	150	-	-
224 St at 124 Ave - Intersection Safety Improv. (Construction)	-	-	250	-	-
224 St at 132 Ave (N Alouette Bridge) Construction	-	2,823	-	-	-
228 St at 119 Ave Crosswalk Improvements	75	-	-	-	-
232 St (116 - Slager) Construction +	-	1,601	-	-	-
232 St (116 - Slager) Design +	250	-	-	-	-
233 St (132 - Larch) Design	-	100	-	-	-
240 St at McClure Traffic Signal	250	-	-	-	-
Abernethy (227 - 232) Construction +	-	-	1,000	-	-
Access Culverts	22	22	22	22	22
Bridge Repairs Struct Upgrade	150	150	150	150	150
Bus Stop Improv, Sidewalk Letdown, Tactile Installation	90	90	90	90	90
Cycling Improvements	250	250	-	500	500

Section > Projects	2019	2020	2021	2022	2023
Dewdney Trunk at 238B St Intersection Improvements +	200	-	-	-	-
Dewdney Trunk at Burnett Ped Signal	-	-	200	-	-
Ditton St Rail Crossing Upgrade	-	50	-	-	-
Dunn Ave and West Intersection Improvements	-	-	-	150	-
Emergency Traffic Pre-Empt	50	50	50	50	50
Equip Purch - Asphalt Patcher	-	165	-	-	-
Equip Purch - Fleet	1,017	800	1,500	1,200	1,200
Illuminated Street Signs Program	10	10	10	10	10
Intersection Traffic Counts, Data Collection	50	-	-	-	-
Local Area Service - Road	250	250	250	250	250
Pavement Management	-	250	-	-	-
Pedestrian Improvements	400	400	-	-	-
Princess St (Wharf - Lorne)	-	-	150	-	-
Private Driveway Crossings	7	7	7	7	7
Road Rehabilitation Program	2,272	3,291	3,771	4,276	5,082
Sidewalk Replacement	90	90	90	90	90
Skillen Urban Road Upg Wicklund to 123 (Design)	-	25	-	-	-
Street Lighting Upgrade Program	250	250	500	500	500
Streetlight Pole Replace Program	50	50	50	50	50
Survey Monument Replacement	4	4	4	4	4
SYNCHRO SimTraffic Software License	18	-	-	-	-
Telep Ave (202 - 100 M West 203 St)	-	78	-	-	-
Traffic Calming Policy Update	15	-	-	-	-
Traffic Calming Program	80	80	80	80	80
Traffic Signal Replacements	100	100	100	100	100
Transportation Master Plan Update	-	150	-	-	-
Drainage	3,237	2,859	2,682	3,753	3,773
Albion Drainage Planning	100	-	-	-	-
Culvert Replacement Program	450	450	450	450	450
Drainage Flow Monitoring	100	-	-	-	-
Drainage Replacement Program	300	332	350	400	450
Drainage Upgrade Program	1,364	1,705	1,510	2,630	2,200
Flood Abatement North Alouette	-	100	-	-	-
Flow Monitoring (LTC019023)	-	-	-	-	100
ISMP Watershed Review (2019)	200	-	-	-	-
Local Area Service - Drain	250	250	250	250	250
Lower Hammond Drainage Planning	100	-	-	-	-
Lower Hammond Dyke Review & Upgrades	150	-	-	-	-

Section > Projects	2019	2020	2021	2022	2023
Material Crushing	200	-	-	-	-
Princess Drainage Pumping Station	-	-	-	-	300
Private Storm Sewer Connections	23	23	23	23	23
Stormwater Runoff and Stream	-	-	100	-	-
Sewage	5,706	2,641	1,141	1,502	2,692
105 Ave PS Routing Study	-	-	-	-	75
208 St Sewage Station Replacement	-	-	-	-	500
225 St (Haney Bypass to 116) Phase 2	40	-	-	-	-
225 St Forcemain and PS Upgrade - Phase 3	4,200	-	-	-	-
225 St Forcemain and PS Upgrade - Phase 4	-	1,000	-	-	-
225 St PS Emergency Overflow	-	100	-	-	-
Burnett S of Teloski	-	-	75	-	-
DTR Sanitary Main Replacement 216 - 222	-	550	-	-	-
Haney Bypass W of Kanaka Way (TS12-TS13)	-	-	-	-	526
Local Area Service - Sewer	250	250	250	250	250
Meadow Brook Sewage Station Replacement	-	-	-	-	300
Private Sewer Connections	41	41	41	41	41
Sanitary Master Planning	-	-	-	-	150
Sanitary Model Update and Calibration	40	-	-	-	-
SCADA Replacement Program	100	100	100	100	100
Selkirk Ave, 226 to 227 Street	165	-	-	-	-
Sewage PS Capacity Upgrades	280	-	-	-	-
Sewage PS Emergency Response Planning	40	-	-	-	-
Sewage System Rehab and Replacement	550	600	650	700	750
Sewer SE of Leisure Centre	-	-	25	-	-
Tamarack Lane E of Kanaka Siphon	-	-	-	411	-
Water	6,513	5,195	6,295	3,725	2,795
138m and 84m Zone Boundary Review	-	-	-	-	50
216 St 124 - 128 LTC017131	-	-	650	-	-
232 St (at 132) PRV Replacement	200	-	-	-	-
232 St 122 Ave to 124 Ave Watermain Replacement	-	600	-	-	-
232 St at 136 PS - 140m to 175m conversion	-	-	2,000	-	-
236 St Pump Station Upgrade	2,000	-	-	-	-
240 St and 136 Ave W to Forest PS at Granite Way Construction	725	-	-	-	-
240 St at Kanaka Way to 112	-	-	-	280	-
263 St Reservoir Expansion Construction	-	1,100	-	-	-
263 St Reservoir Expansion Design	100	-	-	-	-

Section > Projects	2019	2020	2021	2022	2023
270A St Reservoir Replacement	-	-	-	1,500	-
84m Zone PRV Decommissioning	-	-	-	-	100
Albion PS Improv (on 104 Ave at 245) Construction	-	-	1,500	-	-
Albion PS Improv (on 104 Ave at 245) Design	-	150	-	-	-
Ansell St (124 - 125)	360	-	-	-	-
CL2 Equipment Replacement Program	50	50	50	50	50
Drinking Water Master Planning	-	-	-	-	150
DTR - 216 St to 222 St Watermain Replacement Construction	-	1,500	-	-	-
DTR - Edge St to 228 St – Construction	975	-	-	-	-
Dunn Ave (Maple Meadows Way - West St)	-	-	250	-	-
Grant Mountain Reservoir Twinning	-	-	-	-	500
Local Area Service – Water	250	250	250	250	250
Private Water Connections	408	410	410	410	410
PRV Decommissioning	120	-	-	-	-
Seismic Upgrade Program	150	150	150	150	150
Silver Valley Check Valves	40	-	-	-	-
Silver Valley Servicing Resiliency Study	50	-	-	-	-
Town Centre Growth Study and Capital Investment (Water)	40	-	-	-	-
Water Model Update and Calibration	35	-	-	-	-
Water Pump Station Upgrades	60	60	60	60	60
Water Remote Security Program	50	50	50	50	50
Water Reservoir Upgrades	50	50	50	50	50
Water System Capacity Upgrades	400	400	400	400	400
Water System Improvement Program	50	25	25	25	25
Watermain Replacement Program	400	400	450	500	550
Grand Total	52,941	28,577	26,290	20,035	21,161

Projects marked with a '+' have a portion funded by others

Appendix II

Funding Model for Approved Parks and Recreation Facilities - UPDATED JULY 2018								
(in \$thousands)								
		2018	2019	2020	2021	2022	2023	2024
Project								
Leisure Centre Renovations \$3.5M		3,500						
Telosky Field - \$10M		5,500	4,500					
Albion Community Centre - \$10M		3,000	7,000					
Silver Valley Gathering Place \$1M			1,000					
Hammond Comm. Centre \$2.5M		2,500						
Ridge Canoe and Kayak Club \$1M			1,000					
MRSS Track Facility Upgrade \$2.5M			2,500					
Ice Sheet \$25M			12,500	12,500				
Subtotal new year		14,500	28,500	12,500	-	-	-	-
Cumulative		14,500	43,000	55,500	55,500	55,500	55,500	55,500
Use of Reserves		(4,000)	(2,000)	-	-	-	-	-
Community Amenity Charges and Albion Density								
Additional Capital & Funding								
Furniture and Equipment			565	75	20			
Public Art			125					
Albion CC - Land Servicing/Dev. Fees			750					
Project Construction Contingency			2,250					
Funding: Reserves - 2017 Surplus Committed			(2,000)					
Funding: - noted below (P&R Levy)			(1,690)	(75)	(20)			
Borrowing								
Short Term		10,500	37,000	49,500	-	-	-	-
Long Term		-	-	-	49,500	49,500	49,500	49,500
Total Borrowing		10,500	37,000	49,500	49,500	49,500	49,500	49,500
Debt Servicing Costs								
Short Term		210	833	1,238	-	-	-	-
Annual Long Term (25 yr.) debt costs		-	-	-	3,000	3,000	3,000	3,000
Debt Servicing		210	833	1,238	3,000	3,000	3,000	3,000
Operating								
Telosky Field		-		250	250	250	250	250
Albion Community Centre		-	300	600	600	600	600	600
Other Neighbourhood Amenities		-	30	60	60	60	60	60
MRSS Track Fac. Upgrade		-	20	20	20	20	20	20
Ice Rink		-		500	500	500	500	500
Total Operating		-	350	1,430	1,430	1,430	1,430	1,430
Total Requirements		210	1,183	2,668	4,430	4,430	4,430	4,430
Sources of Funding								
Existing P&R Levy	0.25%	900	1,107	1,321	1,543	1,772	2,010	2,256
Gaming Funds Allocated in 2018		150	200	200	200	200	200	200
Tax Increase 7 years, note 0.2% in 2018	0.35%	160	450	750	1,060	1,381	1,714	2,058
P&R Funding Unencumbered Balance		500						
Use of P&R Levy in Capital Funding		-	(1,690)	(75)	(20)	-	-	-
Total Sources of Annual Funding Available		1,710	67	2,196	2,783	3,354	3,924	4,514
Reserves to Fund Balance								
Annual Funding Shortfall (Surplus)		(1,500)	1,116	472	1,647	1,076	506	(84)
Cumulative Use of Reserves		(1,500)	(384)	87	1,734	2,810	3,316	3,232
Initial outlay (CACs/Albion)	6,000							
Max Draw Reserves - CACs	3,316							
Total Reserve Draw	9,316							

CITY OF MAPLE RIDGE

BYLAW NO. 7454-2018

A bylaw to establish the five year financial plan for the years 2019 through 2023

WHEREAS, the public will have the opportunity to provide comments or suggestions with respect to the financial plan;

AND WHEREAS, Council deems this to be a process of public consultation under Section 166 of the Community Charter;

NOW THEREFORE, the Council for the City of Maple Ridge enacts as follows:

1. This Bylaw may be cited as “Maple Ridge 2019-2023 Financial Plan Bylaw No. 7454-2018”.
2. Statement 1 attached to and forming part of this bylaw is hereby declared to be the Consolidated Financial Plan of the City of Maple Ridge for the years 2019 through 2023.
3. Statement 2 attached to and forming part of the bylaw is hereby declared to be the Revenue and Property Tax Policy Disclosure for the City of Maple Ridge.
4. Statement 3 attached to and forming part of the bylaw is hereby declared to be the Capital Expenditure Disclosure for the City of Maple Ridge.

READ a first time the day of .

READ a second time the day of .

READ a third time the day of .

PUBLIC CONSULTATION completed on the day of .

ADOPTED the day of .

PRESIDING MEMBER

CORPORATE OFFICER

ATTACHMENT: Statement 1, Statement 2 and Statement 3

Statement 1

Consolidated Financial Plan 2019-2023 (in \$ thousands)

	2019	2020	2021	2022	2023
REVENUES					
Developer Contributed Assets	20,000	20,000	20,000	20,000	20,000
Developer Cost Charges	6,727	7,901	5,999	2,977	1,304
Developer Specified Projects	-	-	-	-	-
Parkland Acquisition	200	200	200	200	200
Contribution from Others	1,296	1,369	1,321	1,298	1,305
Development Fees Total	28,223	29,470	27,520	24,475	22,809
Property Taxes	86,924	91,529	96,341	101,369	106,668
Parcel Charges	3,208	3,309	3,413	3,521	3,633
Fees & Charges	43,712	45,329	47,036	48,836	50,732
Interest	2,148	2,313	2,328	2,343	2,358
Grants	4,412	4,350	4,610	4,350	4,351
Property Sales	1,500	2,500	-	-	-
Total Revenues	170,127	178,800	181,248	184,894	190,551
EXPENDITURES					
Operating Expenditures					
Debt & Interest Payments	2,803	2,674	3,284	3,112	2,945
Amortization	19,780	19,780	19,780	19,780	19,780
Other Expenditures	112,029	115,909	120,050	124,079	127,936
Total Expenditures	134,612	138,363	143,114	146,971	150,661
ANNUAL SURPLUS	35,515	40,437	38,134	37,923	39,890
Add Back: Amortization Expense (Surplus)	19,780	19,780	19,780	19,780	19,780
Less: Capital Expenditures	52,941	28,577	26,290	20,035	21,161
Less: Developer Contributed Capital	20,000	20,000	20,000	20,000	20,000
CHANGE IN FINANCIAL POSITION	(17,646)	11,640	11,624	17,668	18,509
OTHER REVENUES					
Add: Borrowing Proceeds	19,000	-	-	-	-
OTHER EXPENDITURES					
Less: Principal Payments on Debt	3,786	3,870	4,972	5,095	5,224
TOTAL REVENUES LESS EXPENSES	(2,432)	7,770	6,652	12,573	13,285
INTERNAL TRANSFERS					
Transfer From Reserve Funds					
Capital Works Reserve	150	150	150	150	150
Equipment Replacement Reserve	2,334	1,395	1,963	2,183	1,815
Fire Department Capital Reserve	-	-	-	-	-
Land Reserve	-	-	-	-	-
Local Area Service Reserve	-	-	-	-	-
Sanitary Sewer Reserve	-	-	-	-	-
Total Transfer From Reserve Funds	2,484	1,545	2,113	2,333	1,965
Transfer (To) Reserve Funds					
Capital Works Reserve	-2527	-3905	-2051	-3624	-3090
Equipment Replacement Reserve	-3138	-3378	-3554	-3806	-3991
Fire Department Capital Reserve	-915	-1052	-1195	-1342	-1495
Land Reserve	-5	-5	-5	-5	-5
Local Area Service Reserve	0	0	0	0	0
Sanitary Sewer Reserve	0	0	0	0	0
Total Transfer To Reserve Funds	(6,585)	(8,340)	(6,805)	(8,777)	(8,581)
Transfer From (To) Own Reserves	4,148	(549)	748	(651)	(888)
Transfer From (To) Surplus	2,385	(426)	(2,708)	(5,478)	(5,781)
Transfer From (To) Surplus & Own Reserves	6,533	(975)	(1,960)	(6,129)	(6,669)
TOTAL INTERNAL TRANSFERS	2,432	(7,770)	(6,652)	(12,573)	(13,285)
BALANCED BUDGET	-	-	-	-	-

Statement 2

Revenue and Property Tax Policy Disclosure

REVENUE DISCLOSURE

Revenue Proportions	2019		2020		2021		2022		2023	
	\$ ('000s)	%	\$ ('000s)	%	\$ ('000s)	%	\$ ('000s)	%	\$ ('000s)	%
Revenues										
Property Taxes	86,924	46.0	91,529	51.2	96,341	53.2	101,369	54.8	106,668	56.0
Parcel Charges	3,208	1.7	3,309	1.9	3,413	1.9	3,521	1.9	3,633	1.9
Fees & Charges	43,712	23.1	45,329	25.4	47,036	26.0	48,836	26.4	50,732	26.6
Borrowing Proceeds	19,000	10.0	-	-	-	-	-	-	-	-
Other Sources	36,283	19.2	38,633	21.6	34,458	19.0	31,168	16.9	29,518	15.5
Total Revenues	189,127	100	178,800	100	181,248	100	184,894	100	190,551	100
Other Sources include:										
Development Fees Total	28,223	14.9	29,470	16.5	27,520	15.2	24,475	13.2	22,809	12.0
Interest	2,148	1.1	2,313	1.3	2,328	1.3	2,343	1.3	2,358	1.2
Grants (Other Govts)	4,412	2.3	4,350	2.4	4,610	2.5	4,350	2.4	4,351	2.3
Property Sales	1,500	0.8	2,500	1.4	-	-	-	-	-	-
	36,283	19.2	38,633	21.6	34,458	19.0	31,168	16.9	29,518	15.5

OBJECTIVES & POLICIES

Property Tax Revenue

Property tax revenue is the City's primary revenue source, and one which is heavily reliant on the residential class. Diversification of the tax base and generation of non-tax revenue are ongoing objectives, outlined in Financial Sustainability Policy 5.52 section 6.

The Financial Plan includes property tax increases that are as listed below:

	2019	2020	2021	2022	2023
General Purpose	1.90%	2.00%	2.00%	2.00%	2.00%
Infrastructure Replacement	0.70%	0.70%	0.70%	0.90%	0.90%
Parks & Recreation	0.60%	0.60%	0.60%	0.60%	0.60%
Drainage	0.30%	0.30%	0.30%	0.10%	0.10%
Total Property Tax Increase	3.50%	3.60%	3.60%	3.60%	3.60%

Additional information on the tax increases and the cost drivers can be found in the most recent Financial Plan Overview Report. Specific policies discussing the tax increases are included in the Financial Sustainability Plan and related policies which were adopted in 2004.

Property tax revenue includes property taxes as well as grants in lieu of property taxes.

Parcel Charges

Parcel charges are comprised of a recycling charge, a sewer charge and on some properties, a local area service or improvement charge. Parcel charges are a useful tool to charge all or a subset of properties for a fixed or variable amount to support services. Unlike property taxation the variable amount does not need to be related to property assessment value, but can be something that more accurately reflects the cost of the service.

Statement 2 (cont.)

Revenue and Property Tax Policy Disclosure

Fees & Charges

Fees should be reviewed annually and updated if needed. Recent fee amendments include recreation fees, development application fees, business license fees and cemetery fees. A major amendment to the Development Costs Charges (DCC) has been submitted to the province and is awaiting approval. The last major amendment was completed in 2008. Minor DCC amendments are done more frequently. Some fees are used to offset the costs of providing specific services. The utility fees are reviewed annually with a view towards using rate stabilization practices to smooth out large fluctuations in rates, as set out in the Business Planning Guidelines.

Borrowing Proceeds

Debt is used when it makes sense, and with caution as it commits future cash flows to debt payments, restricting the ability to use these funds to provide other services. The source of the debt payments needs to be considered as does the justification for advancing the project. More information on previously approved borrowing can be found in the most recent Financial Plan Overview report.

Other Sources

This will vary greatly year to year as it includes:

- Development fees which fund capital projects from the DCC Reserve
- Contribution from others in relation to capital
- Grants which are sought from various agencies and may be leveraged with City funds

PROPERTY TAX DISCLOSURE

The 2019 property tax revenue and updated rates will be included in a Financial Plan Amending Bylaw that proceeds the Property Tax Rate Bylaw, as the 2019 property assessed values are not yet finalized. For information purposes the 2018 distribution is included.

Property Tax Revenue Distribution

Property Class	Taxation Revenue (`000s)		Assessed Value (`000s)		Tax Rate (\$ per 1000)	Multiple (Rate / Res. Rate)
1 Residential	63,001	78.5%	21,027,290	92.7%	2.9961	1.0
2 Utility	616	0.9%	15,393	0.1%	40.0000	13.4
4 Major Industry	628	0.8%	26,537	0.1%	23.6677	7.9
5 Light Industry	2,981	3.7%	302,845	1.4%	9.8429	3.3
6 Business, Other	12,860	16.0%	1,306,484	5.8%	9.8429	3.3
8 Rec., Non-Profit	50	0.1%	4,018	0.0%	12.5402	4.2
9 Farm	157	0.2%	4,627	0.0%	34.0106	11.4
Total	80,293	100.0%	22,687,195	100.0%		

Statement 2 (cont.)

Revenue and Property Tax Policy Disclosure

PROPERTY TAX DISCLOSURE

Objectives & Policies

Property taxes are the City's largest source of revenue and are contained by efficient business practices. Annual business planning practices are the mechanism for resource allocation decisions.

The City's Financial Sustainability Policy section 6 discusses the necessity of diversifying the tax base. Development of employment-related properties is one method of diversification; therefore a key performance measurement in Strategic Economic Initiatives tracks the increased investment and development of non-residential properties.

A policy in the Financial Sustainability Plan that calls for stable tax increases and the adoption of the annual increase early in the prior year in the Business Planning Guidelines provides citizens with a more stable and predictable set of cost increases. In some cases costs are phased in over multiple years to stay within the set tax increases.

Property Tax Rates

It is policy to adjust property tax rates annually to negate the impact of fluctuations in the market values of properties. Tax rates are reduced to negate the market increases. Property tax increases are then applied at the same relative increase for all classes, unless legislation restricts the rates, as with Class 2, Utility.

The Business Class and Light Industry Class properties have the same tax rate and are treated as a composite class when setting the tax rates, as the types of businesses in each class are similar. In 2016, the increase was reduced from 3.15% to 1.85% to reduce the relative property tax burden for these properties.

A review was done on the Major Industry Class rates and the recommendation from the Audit and Finance Committee and Council was a 5% property tax reduction in both 2009 and 2010 to support additional investments in the subject property and to keep rates competitive. In 2014 and 2015, property taxes charged to major industrial class properties were reduced by \$70,000 in each year.

In reviewing tax rates to ensure competitiveness, absolute rates, tax multiples and overall tax burden are considered. The impact that assessed values have when comparing to other geographical areas must be considered in a comparison of tax rates.

Permissive Tax Exemptions

Council has set policies around the use of permissive tax exemptions. These are Council Policies 5.19 through 5.24. These policies discuss Churches, Community Halls, Heritage Sites, Homes for the Care of Children and the Relief of the Aged, the Poor, the Disabled and the Infirm, Municipal Recreational Services, Private Hospitals and Daycares, Private School and Youth Recreation Groups.

Revitalization Tax Exemption Program

The Employment Land Investment Incentive Program is designed to encourage job creation by supporting private investment in buildings and infrastructure on identified "employment lands".

More information on this tax exemption can be found on our website.

Statement 3

Capital Expenditure Disclosure

The sole purpose of this statement is to meet legislative requirements and highlight the value of the DCC program; no other conclusions should be drawn from the figures as the information could be misconstrued. This disclosure is required under the Local Government Act s. 560 (2); capital costs attributable to projects to be partially funded by Development Cost Charges (DCC) must be included in the financial plan. The DCC program includes projects as far out as 2038 so the capital expenditures must be extended to match. Certain types of projects are not planned past the five year time horizon of the financial plan. Much less scrutiny is given to projects that are planned in years 2024 through 2038. Projects in these years typically exceed likely funding available.

Capital Works Program for 2024 – 2038

(in \$ thousands)

Capital Works Program	350,802
 Source of Funding	
Development Fees	
Development Cost Charges	158,922
Parkland Acquisition Reserve	-
Contribution from Others	3,224
	162,146
 Borrowing Proceeds	-
Grants	39,512
Transfer from Reserve Funds	19,175
Revenue Funds	129,969
	188,656
	350,802